

TOWN OF DAVIE
TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Barbara McDaniel, MMC, Assistant Town Clerk / 954-797-1023

PREPARED BY: Barbara McDaniel, MMC, Assistant Town Clerk

SUBJECT: Minutes

AFFECTED DISTRICT: n/a

ITEM REQUEST: **Schedule for Council Meeting**

TITLE OF AGENDA ITEM: August 18, 2009 (Budget Workshop)

REPORT IN BRIEF: Council minutes from the August 18, 2009 Council meeting.

PREVIOUS ACTIONS: n/a

CONCURRENCES: n/a

FISCAL IMPACT: not applicable

Has request been budgeted? n/a

RECOMMENDATION(S): Other - Motion to approve

Attachment(s): August 18, 2009 minutes

TOWN OF DAVIE
WORKSHOP MEETING
AUGUST 18, 2009

The meeting was called to order at 12:05 p.m.

Present at the meeting were Mayor Paul, Vice-Mayor Crowley and Councilmembers Caletka, Luis and Starkey. Also present were Town Administrator Shimun, Town Attorney Rayson, and Assistant Town Clerk McDaniel recording the meeting.

1. 2009-2010 Budget

Budget and Finance Director Bill Ackerman said that he would provide Council with a budget update, discuss information that had been submitted to Council, inform them about some things on the horizon for 2011, and report on meetings that had taken place the previous week between Vice-Mayor Crowley, staff, and the police and fire union representatives. The budget calendar and endowments would also be discussed.

Mr. Ackerman explained that Council had been provided with the budget summary for all funds, the budget summary for the General Fund, a description of items that had changed from the last budget workshop, information on the use of reserves for fiscal year 2010 and revised budgets for all departments.

Mr. Ackerman stated that they had begun the budget process in June with a \$9.9 million deficit, which had been reduced to \$4 million in July. As of today's workshop, Mr. Ackerman was presenting a balanced budget.

Since their last budget workshop, Mr. Ackerman reported staff had reduced other legal services and eliminated legal settlements, eliminated the holiday party, eliminated the Technical Rescue Team and reduced Fire personnel overtime. There had also been payroll revisions in the General Fund relating to retirements, promotions and departures. Non-represented employees' longevity pay had been capped at \$2,000 and the cost-of-living increases for the non-represented employees' and FOPA cost-of-living increases had also been eliminated.

Mr. Ackerman stated that Council had asked that an RFP be issued for health insurance and explained they would not obtain the renewals until October.

Mr. Ackerman said that staff had worked with the unions in an attempt to get them to agree to no increase in wages for next year but the police union had refused, and this had resulted in the Police Department losing nine positions. The remaining police officers would receive a 3.7% cost-of-living increase and a 5% increase in step for those who were eligible. The firefighters/paramedics had lost seven positions but employees remaining would receive a 2.5% cost-of-living increase and a 5% step increase for those who were eligible.

Mr. Ackerman reported that there had also been a change in unemployment compensation expenses due to the additional layoffs. Council had previously approved the Capital Improvement Program, which included the use of some general fund reserves.

At this point, Mr. Ackerman said that they were still approximately \$1.1 million short. To make up the deficit, staff had reviewed and updated information from police

and fire pension costs and reduced that amount in the budget for the next year. He noted that this still represented an increase from the current year and added that they had also utilized \$267,000 in General Fund undesignated reserves.

Mr. Ackerman explained that there were additional expenditures that must be included in the budget for the first hearing including payroll expenses that must be increased due to early retirements, and voting costs. These costs amounted to another \$57,000, for a total of \$325,000 they would use from reserves for fiscal year 2010.

Mr. Ackerman reminded Council that some of the recommendations they would make this evening for fiscal year 2010 could have an effect on fiscal year 2011. He asked Council to be mindful that they would use \$325,000 of reserve funds for operational purposes when they made decisions regarding next year's budget.

Mr. Ackerman stated that nothing had changed about their assumptions regarding personnel costs for police and fire. The only change made had been to stop any cost-of-living increase or step increase for non-represented employees. If Council approved something different, they must either use additional reserve funds or face more potential layoffs.

Mr. Ackerman reported that Vice-Mayor Crowley had met with union representatives and staff the previous week; however, he was unsure of the results of this meeting. Councilmember Caletka had spoken to individual union members, and said that he had been shocked that "many of them are completely oblivious to the fact that there may be a lay-off that some of their people might be laid off, that we've even asked for a pay freeze. It has not gone to a vote. There is a group of people making decisions for everybody else and I really find that unacceptable. I was under the impression that this would go to some kind of vote." Vice-Mayor Crowley said that he understood this has been put to a vote. Mayor Paul invited union representatives to address Council.

Greg Brilliant, representing the Fraternal Order of Police, said that he took exception to Councilmember Caletka's comment. He explained that there were 165 members of the police union and "if three don't know what's going on, it's not a fault of the union; they have a responsibility on their own to take responsibility for their future..." Mr. Brilliant said that as of this morning, the vote was 70 in favor to 1 against. The membership opposed deferring the cost-of-living increase until April 1, 2010.

Vice-Mayor Crowley felt the FOP anticipated difficult negotiations within six months and were trying to "take what they can now... not knowing what's going to happen at the end of negotiations when Council signs the new contract with them."

Ben Trapani, president of the local firefighters union, said that they had a meeting the previous evening and the membership had asked him to put together numbers to present to Council the following week. Until then, he had nothing to report, other than the members' statement that at this time they were unwilling to give up any raises or steps. Mr. Trapani said that they believed the numbers they would present to Council would save the Town the \$570,000 needed from the Fire Department.

Mr. Ackerman invited Council's questions. Councilmember Caletka stated that in the City of Wilton Manors, employees who were covered under their spouses' health insurance were given a rebate. Every employee who opted out of the City's health insurance plan saved the City \$3,000. He suggested the Town investigate this.

Councilmember Starkey believed the Town's rate assumed some employees would never use the insurance.

Human Resources Director Barbara DuPré explained that since the Town was self-insured, the number of claims was what mattered, not the number of covered employees. Fewer employees enrolled in the plan would reduce the premium paid but not necessarily reduce the claims paid. The Town already allowed employees to opt out and gave these employees \$1,200 per year.

Councilmember Luis asked how much self-insurance saved the Town. Ms. DuPré stated that there was not much savings in self-insurance, but she explained that costs would be more volatile if they were fully insured. Councilmember Luis asked if an HMO would provide substantial savings. Ms. DuPré replied that 95% of the Town's employees were already on the HMO plan. She advised that the results of the RFP had just been returned and they had received quotes from several providers. She informed Councilmember Starkey that she had met with other human resource directors to discuss health clinics and other wellness options.

Councilmember Caletka remarked on the inevitability of layoffs, and felt the Town should investigate whether or not they could realize savings using the Broward Sheriff's Office (BSO) instead of their own police force. Mr. Shimun stated that the Town Charter prohibited this. Councilmember Starkey wanted to see what the Town's costs would be to allow BSO to handle major incidents. She also wanted a breakdown of different services BSO provided for a cost comparison. Mr. Shimun informed Council that the Broward County City Managers Association was working with BSO to calculate a cost per resident to create a standardized rate.

Councilmember Luis did not believe they would realize any cost savings by using BSO. He asked the Fire and Police Departments to consider concessions to allow the Town to keep more "men on the road." Councilmember Starkey wanted to examine the costs of the specialty units.

Councilmember Caletka felt that the Town had "the best Fire Department, the best Police Department in the entire County, and I genuinely believe that BSO is beneath us." But he also felt they were overextended, since they were considering laying off employees and wanted to compare costs for their department versus BSO. Vice-Mayor Crowley thought BSO would "... come in and they're going to give you the numbers you want to see to get in there for that first year... and then they're in there and they're pretty much stuck in there." He wanted to drop this idea. Mr. Shimun believed that any "subbing out" of work would amount to a violation of the contract. Mr. Rayson agreed, and said that this applied to both police and fire.

Mayor Paul said that residents were on both sides of this issue. She believed these departments were "top-heavy in administration" and a lot of consolidation could take place to save a substantial amount of money and prevent having to resort to layoffs. Mayor Paul did not understand why the "brotherhood" of union members was not interested in protecting the jobs of their fellow employees. Mayor Paul noted the cost problems some municipalities had faced since switching to BSO.

Councilmember Luis felt the Town needed its own first responders, and they would not receive the proper level of service from BSO. Councilmember Starkey still wanted to see the information.

Mayor Paul believed another budget workshop would be necessary. She pointed out that Council was not taking their \$200 cost-of-living increase next year, and she had considered not taking Council's \$200 expense allowance, but this would not save enough and "some of the people with the big bucks are going to have to make some concessions as well." She felt they should consider how they could save more money: eliminating longevity, or a 10 - 20% pay reduction for people making over \$90,000 a year.

Mayor Paul had brought up other possible cost-saving measures at the previous meeting that did not affect jobs. She said that there was \$322,000 in the budget for new positions, and she was hearing they intended to hire more planners and fire inspectors. Mayor Paul wondered how this could be justified to the person who was being laid off.

Councilmember Starkey wanted the backup information explaining why the Police Department needed \$50,000 in its budget for the Super Bowl. If she did not receive this information she wanted to eliminate this from their budget. Mayor Paul remembered it had been explained to Council that this was to cover the additional events occurring at the Dolphins' camp in Davie. Mayor Paul asked if Police Chief Patrick Lynn could investigate whether this could be done for less money and report back at

Council's next budget workshop. Chief Lynn explained that during the Super Bowl, the AFC championship team would be training at the Davie facility, and they had requested that the Town provide the security for the campus and facilities. If Council desired, they could eliminate this and the Police Department would not provide security.

Mayor Paul suggested that each Councilmember make a list of cost-saving suggestions and submit it to Mr. Shimun for discussion at their next budget workshop. Councilmember Luis encouraged employees to make their own cost-saving suggestions. Mayor Paul said that police and fire unions had discussed ideas at their meetings but no one wanted to make the list available.

Councilmember Caletka reiterated his wish that employees who would lose their jobs be notified immediately.

Mayor Paul advised that she had received a letter from a resident in District 4 who indicated he would be willing to accept a reduction in Town services, even in “essential areas” to avoid any increase in taxes. The resident also wondered why police officers were receiving raises when so many people had less or no income.

Mr. Ackerman said that if Council desired another budget workshop, it must be held within the week in order for the budget hearings to take place on time.

Mayor Paul did not want to take the \$2 million out of reserves for the capital budget in a lump sum and indicated that she wanted the funds to be withdrawn as needed, on an emergency basis after being approved individually by Council. Mr. Ackerman said that these items usually came to Council during the process and staff was following policy. He said that if worse came to worse, they could go forward with the budget they had today and if necessary, they could amend it. Vice-Mayor Crowley stated that he would not be available for a workshop and submitted documents explaining his position. He stated that as far as he was concerned, the police and firefighters were “laying themselves off” because they had decided by vote to keep their raises, which resulted in the need for layoffs.

Under Administration, Councilmember Starkey felt there should be a freeze on hiring and promotions, specifically for the Assistant Town Administrator position. Mayor Paul agreed, however, Councilmember Luis and Councilmember Caletka disagreed. Mr. Shimun stated that this was a promotion for a person who was already doing the work and deserved to get paid for it. He said that they had eliminated a couple of positions in his department so they were saving money by doing this. Councilmember Starkey felt that they were “creating too many chiefs and not enough Indians to do the work right now overall.” She noted the impact promotions had on retirement benefits as well as salaries.

In Legislative services, Councilmember Starkey was unsure whether the Town was getting a “bang for their buck” from their lobbyists. Councilmember Caletka said that he would like to eliminate both the Town’s lobbyists. Vice-Mayor Crowley and Councilmember Luis did not want to eliminate them. Councilmember Starkey wanted to cut the local lobbyist’s pay in half and give Mr. Shimun the discretion to disperse additional funds on an as-needed basis.

Councilmember Starkey wondered why there was a separate charge for legal storage space instead of this being included under the Town Clerk’s office. Information Systems Director Tina Tysinger explained that this was a storage area network for archiving Town Council videos, which was different from the Clerk’s archives and the off-site storage.

Councilmember Starkey suggested that the pool car for the Public Information Office be a hybrid. Mr. Ackerman said that this was one of the older cars that they were using for a longer time rather than replacing them. Mayor Paul confirmed that when the

car was replaced, they would consider a more efficient car but right now it was not up for replacement.

Regarding ad valorem delinquencies, Mr. Ackerman said that this was a historical estimate based on figures from Broward County. The Town had no control over this revenue and they were working with the County regarding the delinquencies.

Regarding education and training, Councilmember Starkey wanted each department to be consistent with Town policy with no waivers. Vice-Mayor Crowley pointed out there had been significant reductions in the past couple of years, and he had no issues with the current proposal. Mr. Ackerman explained that out of the \$150,000 Town-wide tuition reimbursement, \$125,000 of it was for the Police and Fire Departments.

Mayor Paul referred to her list of suggestions and mentioned eliminating dry cleaning services for employees. Mr. Ackerman stated that some of this was contractual and he would need to take a look at the contract.

Mayor Paul said that in Administration and the Fire Department there were 17 vehicles on the home vehicle program and she did not believe these were contractual. She indicated that these vehicles could be limited to the four on-call people only. Vice-Mayor Crowley requested an itemized list of who had take home cars. Fire Chief Joseph Montopoli noted that the only savings would be in gasoline. Mr. Ackerman agreed to provide a list of all take-home vehicles that were not contractual.

Mayor Paul asked if the Police and Fire Departments had administrative analysts that dealt with technology. Chief Lynn responded that the Police Department had a crime analyst and Chief Montopoli replied that the Fire Department had a systems analyst. Mayor Paul asked if this was a job that could be performed by the Town's Technology & Information Management Department. Chief Lynn stated that they had already eliminated one crime analyst. Ms. Tysinger indicated that the Fire Department's systems analyst was described as having "a lot of skill sets" that other members of the department did not have and she would need to hire him to handle the Fire Department's computer issues.

Mayor Paul asked if the supervisor for fire inspections was a duplication of services because she thought this was the Fire Marshal's responsibility. Chief Montopoli said that the supervision was necessary for production. Mayor Paul had recommended at the previous meeting that battalion chiefs perform fire inspections rather than hiring additional fire inspectors. Chief Montopoli stated that the Town's Fire Department was lean machine compared to surrounding communities. Councilmember Caletka agreed with eliminating the fire inspector supervisor position.

In Public Works, Councilmember Starkey thought the Town was considering outsourcing some maintenance and landscaping work. Mayor Paul said that additional landscapers were adopting parks and performing maintenance. Public Works Director Manny Diez stated that there was a meeting scheduled with Frank Miele in September to determine which landscapers were volunteering to care for which parks and how much this would save the Town.

In Parks and Recreation, Councilmember Starkey thought it appeared there had been an increase in personnel even though they were outsourcing some of the programs. Parks and Recreation Director Dennis Andresky explained that when they outsourced the tackle football program, they had eliminated a part-time recreation leader position. They had also added another girl's softball program and a baseball program.

Councilmember Starkey objected to the reduction of the senior's program. Mayor Paul stated that the senior events would still occur, the cost savings would come from recycling decorations and using recorded music instead of live.

Vice-Mayor Crowley requested that the exact ballot question language that police and fire unions had voted on be provided to Council.

Mr. Ackerman announced the first budget hearing would take place on September 8th at 5:15 p.m. A special assessments hearing for fire and solid waste would take place on September 14th at noon. The second budget meeting would take place on September 21st at 5:15 p.m.

2. Charitable Organization Requests

Mr. Ackerman said that the current account balance was approximately \$1.1 million. Mayor Paul wanted to grant the requests from the organizations that applied for matching federal and state funds: Family Central and Area Agency on Aging. She felt the remaining requests need to be reduced. Council agreed to give to the following organizations:

Adopt a Hurricane Family - \$20,000
Area Agency on Aging - \$35,223
Broward Homebound Program - \$2,000
Davie School Foundation - \$28,993 [by contract]
EASE Foundation - \$40,000
Family Central - \$18,000
Firewall Ministries - \$35,000
First Call for Help - \$2,000
Hope Outreach - \$60,000
Kids Voting - \$2,000
PAL - \$45,000
Teen Challenge - \$30,000
Women in Distress - \$6,000
Young at Art - \$10,000

The Coalition to End Homelessness and Starting Place had sent no request so they would be granted no money.

There being no further business to discuss and no objections, the meeting was adjourned at 2:26 p.m.

Approved _____

Mayor/Councilmember

Town Clerk